

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

OCT 05 2010

JAMES R. LARSEN, CLERK
DEPUTY
YAKIMA, WASHINGTON

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6 UNITED STATES DISTRICT COURT
7 EASTERN DISTRICT OF WASHINGTON
8

9 UNITED STATES OF AMERICA,)

10 Plaintiff,)

11 vs.)

12 PEDRO ALVARADO, JR.,)

13 Defendant.)

10-CR-06040-RMP-3

Plea Agreement

14
15 Plaintiff, United States of America, by and through James A. McDevitt,
16 United States Attorney for the Eastern District of Washington, and Matthew F.
17 Duggan, Assistant United States Attorney for the Eastern District of Washington,
18 and Defendant PEDRO ALVARADO, JR. and the Defendant's counsel, Troy J.
19 Lee, agree to the following Plea Agreement:

20 1. Guilty Plea and Maximum Statutory Penalties:

21 The Defendant, PEDRO ALVARADO, JR., agrees to plead guilty to Counts
22 11-15 of the Indictment filed on April 21, 2010, charging the Defendant with Wire
23 Fraud, in violation of 18 U.S.C. §§ 1343 and 2.

24 The Defendant, PEDRO ALVARADO, JR., understands that the charges
25 contained in the Indictment are Class C felony charges and that sentences for these
26 charges may be imposed consecutively by the Court. The Defendant, PEDRO
27 ALVARADO, JR., also understands that the maximum statutory penalty for Wire
28

Plea Agreement- 1

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1 Fraud, in violation of 18 U.S.C. § 1343, is not more than 20 years imprisonment; a
2 fine not to exceed \$250,000; a term of supervised release of not more than three
3 (3) years; restitution; and a \$500 special penalty assessment.

4 The Defendant, PEDRO ALVARADO, JR., understands that a violation of a
5 condition of supervised release carries an additional penalty of re-imprisonment
6 for all or part of the term of supervised release without credit for time previously
7 served on post-release supervision.

8 2. The Court is Not a Party to the Agreement:

9 The Court is not a party to this Plea Agreement and may accept or reject this
10 Plea Agreement. Sentencing is a matter that is solely within the discretion of the
11 Court. The Defendant understands that the Court is under no obligation to accept
12 any recommendations made by the United States and/or by the Defendant; that the
13 Court will obtain an independent report and sentencing recommendation from the
14 U.S. Probation Office; and that the Court may, in its discretion, impose any
15 sentence it deems appropriate up to the statutory maximums stated in this Plea
16 Agreement.

17 The Defendant acknowledges that no promises of any type have been made
18 to the Defendant with respect to the sentence the Court will impose in this matter.
19 The Defendant understands that the Court is required to consider the applicable
20 sentencing guideline range, but may depart upward or downward under the
21 appropriate circumstances.

22 The Defendant also understands that should the sentencing judge decide not
23 to accept any of the parties' recommendations, that decision is not a basis for
24 withdrawing from this Plea Agreement or a basis for withdrawing this plea of
25 guilty.

1 3. Waiver of Constitutional Rights:

2 The Defendant, PEDRO ALVARADO, JR., understands that by entering
3 this plea of guilty the Defendant is knowingly and voluntarily waiving certain
4 constitutional rights, including:

- 5 (a). The right to a jury trial;
6 (b). The right to see, hear and question the witnesses;
7 (c). The right to remain silent at trial;
8 (d). The right to testify at trial; and
9 (e). The right to compel witnesses to testify.

10 While the Defendant is waiving certain constitutional rights, the Defendant
11 understands the Defendant retains the right to be assisted through the sentencing
12 and any direct appeal of the conviction and sentence by an attorney, who will be
13 appointed at no cost if the Defendant cannot afford to hire an attorney. The
14 Defendant also acknowledges that any pretrial motions currently pending before
15 the Court are waived.

16 4. Elements of the Offense:

17 The United States and the Defendant agree that in order to convict the
18 Defendant of Wire Fraud, in violation of 18 U.S.C. § 1343, the United States
19 would have to prove beyond a reasonable doubt the following elements:

- 20 (a) On or about and between April 19, 2006 and continuing to on or
21 about November 16, 2007, in the Eastern District of Washington;
22 (b) the Defendant, PEDRO ALVARADO, JR., participated in a scheme
23 to defraud and obtain money and property by materially false and
24 fraudulent representations, omissions, pretenses and promises did
25 cause to be transmitted certain writings, sings, signals and sounds in
26 interstate commerce; and
27 (c) used the wires to further the scheme.

1 5. Factual Basis and Statement of Facts:

2 The United States and the Defendant stipulate and agree that the following
3 facts are accurate; that the United States could prove these facts beyond a
4 reasonable doubt at trial; and these facts constitute an adequate factual basis for
5 PEDRO "PETE" ALVARADO JRS. guilty plea. This statement of facts does not
6 preclude either party from presenting and arguing, for sentencing purposes,
7 additional facts which are relevant to the guideline computation or sentencing,
8 unless otherwise prohibited in this agreement.

9 SUZIE ZUNIGA was employed as a Material Coordinator with Fluor
10 Hanford, a DOE Prime Contractor, from April of 1992 to July of 2008 at the
11 Hanford Site in Richland, Washington. As a Material Coordinator, Ms. ZUNIGA
12 was primarily responsible for purchasing materials for FH using her DOE
13 government funded p-card. Specifically, her job was to obtain supplies for FH
14 contract employees working at the Plutonium Finishing Plant.

15 PEDRO "PETE" ALVARADO JR., was employed as a Driver with FH at
16 the Hanford Site in Richland, Washington, for approximately 27 years. Mr.
17 ALVARADO was an acquaintance of Ms. ZUNIGA and often picked up materials
18 that were purchased with her p-card (both legitimate and otherwise).

19 TOMMY LYNN HONEYCUTT was employed as a Pipefitter with FH at
20 the Hanford Site in Richland, Washington, for approximately 24 years. Mr.
21 HONEYCUTT has been in a romantic relationship with Ms. ZUNIGA for over 10
22 years.

23 **SUZIE ZUNIGA**

24 Defendant Suzie Zuniga was employed by government contractor Fluor
25 Hanford (FH) as a Material Coordinator for the Plutonium Finishing Plant (PFP) at
26 the U.S. Department of Energy (DOE) Hanford Site, in Benton County,
27 Washington. FH issued credit cards (known as purchase cards or "p-cards") to
28 Suzie Zuniga to facilitate the purchase of supplies needed for the PFP. FH

1 purchase cards were issued by JP Morgan Chase Bank which established a credit
2 purchase procedure with FH whereby the bank would draw down by draft or
3 electronic funds transfer (EFT) from a line of credit that the U.S. Treasury had
4 established with U.S. Bank for DOE expenses. JP Morgan Chase used wire
5 communications to draw from the DOE's U.S. Bank line of credit once a month to
6 reimburse the purchase card expenses FH accumulated each month.

7 The JP Morgan Chase monthly draw down of funds from US Bank
8 occurred through, and as a result of, wire communications outside the State of
9 Washington. Between October 1, 2004, and July 1, 2008, Fast Pipe and Supply
10 Co., Inc. ("Fast Pipe"), Harold's Repair and Rental ("Harold's") and Kennewick
11 Industrial and Electric ("KIE") were designated by FH as authorized vendors of
12 supplies to the PFP and did provide supplies to the PFP during this time period.

13 In the normal course of business, a material coordinator for the PFP would
14 receive requests for supplies from employees of the PFP. The requests for
15 supplies by employees would often be transmitted by Electronic Bills of Materials
16 (EBOMS) to the material coordinator. If the requested supply item was approved
17 for purchase, the material coordinator would note the order in the P Card Web
18 Solution System. Once the supply item was purchased by the material coordinator
19 with a JP Morgan Chase Bank Credit Card, a sales order would be prepared by the
20 vendor and provided to the material coordinator. On a monthly basis, material
21 coordinators would sign and submit a Transaction Approval Report confirming
22 that their JP Morgan Chase Bank credit card account statements were consistent
23 with the purchases the material coordinator had made that month.

24 From on or about October 1, 2004, and continuing to on or about July 1,
25 2008, defendant Suzie Zuniga caused FH to make approximately 219 purchase
26 card transactions with vendors under the guise of PFP supply purchases from Fast
27 Pipe, KIE, Harold's and other vendors totaling approximately \$564,326.01. The
28 219 purchase card transactions caused writings, signs, signals, and sounds to be

transmitted by wire transmission outside the State of Washington. During this time period, Zuniga, used wire transmissions, to wit: telephone calls, e-mails, and facsimile transmissions, to place p-card orders with vendors for property which she intended for her personal use or pecuniary gain. Zuniga then used the purchased items for her own personal use or gain.

The following chart illustrates the specific transactions as they relate to each count involving PEDRO ALVARADO:

| Count | Date | P-Card Log Number | Wire Communication |
|-------|----------|----------------------|---|
| 11 | 4/19/06 | H00656741881 | \$579.98 credit card transaction from Suzie Zuniga's FH issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-9557. |
| 12 | 4/20/07 | H00656742937 | \$4,380.00 credit card transaction from Suzie Zuniga's FH issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-9557. |
| 13 | 8/10/07 | H006567410310 | \$3,198.00 credit card transaction from Suzie Zuniga's FH issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-9557. |
| 14 | 8/10/07 | H006567410311 | \$3,133.00 credit card transaction from Suzie Zuniga's FH issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-9557. |
| 15 | 11/16/07 | H006567410734 | \$3,325.00 credit card transaction from Suzie Zuniga's FH issued government funded JP Morgan Chase credit card account # XXXX-XXXX-XXXX-9557. |

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3 **PEDRO ALVARADO, JR.**

4 On August 7, 2008, Mr. ALVARADO was interviewed by DOE-OIG
5 agents. During the course of the interview Mr. Alvarado admitted he knew about
6 Ms. ZUNIGA's p-card misuse and also personally benefited from it. Mr.
7 ALVARADO stated he picked up and transported several items purchased with
8 Ms. ZUNIGA'S p-card to her house in Prosser, Washington, to include a stove,
9 refrigerator, microwave oven and several televisions. Mr. ALVARADO admitted
10 he also received several items purchased with Ms. ZUNIGA'S p-card to include
11 two or three televisions, washer and dryer, laptop computer, refrigerator, stove,
12 lawnmower and a weed eater.

13 **TOMMY HONEYCUTT, JR**

14 On August 8, 2008, Mr. HONEYCUTT was interviewed by DOE-OIG
15 Agents at his residence in Pasco, Washington. During the course of the interview,
16 Mr. HONEYCUTT admitted he knew about Ms. ZUNIGA's p-card misuse and
17 also personally received numerous items that were purchased with the p-card. Mr.
18 HONEYCUTT recalled that Ms. ZUNIGA's p-card misuse began sometime in
19 2004. Mr. HONEYCUTT stated that if he was out shopping and saw something he
20 liked, he would call Ms. ZUNIGA and she would purchase it for him. Some of the
21 items he received included a refrigerator, television, lawn mower, pressure washer,
22 rototiller, air compressor, iPod, digital camera, numerous power tools, two Honda
23 generators, two Garmin GPS radios, and Starbucks gift cards.

24 6. **Waiver of Inadmissibility of Statements:**

25 The Defendant agrees to waive the inadmissibility of statements made in the
26 course of plea discussions with the United States, pursuant to Fed. R. Crim.
27 P. 11(f). This waiver shall apply if the Defendant withdraws this guilty plea or
28

1 breaches this Plea Agreement. The Defendant acknowledges that any statements
2 made by the Defendant to law enforcement agents in the course of plea discussions
3 in this case would be admissible against the Defendant in the United States's case-
4 in-chief if the Defendant were to withdraw or breach this Plea Agreement.

5 7. Waiver of Inadmissibility of Statements:

6 The Defendant agrees to waive the inadmissibility of statements made in the
7 course of plea discussions with the United States, pursuant to Fed. R. Crim.
8 P. 11(f). This waiver shall apply if the Defendant withdraws this guilty plea or
9 breaches this Plea Agreement. The Defendant acknowledges that any statements
10 made by the Defendant to law enforcement agents in the course of plea discussions
11 in this case would be admissible against the Defendant in the United States's case-
12 in-chief if the Defendant were to withdraw or breach this Plea Agreement.

13 8. The United States Agrees:

14 (a.) Not to File Additional Charges:

15 The United States Attorney's Office for the Eastern District of Washington
16 agrees not to bring any additional charges against the Defendant based upon
17 information in its possession at the time of this Plea Agreement and arising out of
18 Defendant's conduct involving illegal activity charged in this Indictment, unless
19 the Defendant breaches this Plea Agreement any time before or after sentencing.

20 9. United States Sentencing Guideline Calculations:

21 The Defendant understands and acknowledges that the United States
22 Sentencing Guidelines (hereinafter "U.S.S.G.") are applicable to this case and that
23 the Court will determine the Defendant's applicable sentencing guideline range at
24 the time of sentencing.

25 (a.) Base Offense Level:

26 The United States and the Defendant agree that the base offense level for
27 Wire Fraud is 7. USSG 2B1.1(a)(1).

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2 (b.) Specific Offense Characteristics:

3 The United States and the Defendant also agree and stipulate that the base
4 offense level is increased by an additional 4 levels due to an amount of loss of
5 \$14,615.98. See U.S.S.G. §2B1.1(b)(1)(C). 7. See U.S.S.G. §2B1.1(b)(1)(C).

6 (c.) Acceptance of Responsibility:

7 If the Defendant pleads guilty and demonstrates a recognition and an
8 affirmative acceptance of personal responsibility for the criminal conduct;
9 provides complete and accurate information during the sentencing process; does
10 not commit any obstructive conduct; accepts this Plea Agreement; and enters a
11 plea of guilty no later than October 5, 2010 the United States will move for a two
12 (2) level downward adjustment in the offense level for the Defendant's timely
13 acceptance of responsibility, pursuant to U.S.S.G. §3E1.1(a) and (b). Therefore,
14 the United States and the Defendant agree that the Defendant's final adjusted
15 offense level would be 9.

16 The Defendant and the United States agree that the United States may at its
17 option and upon written notice to the Defendant, not recommend a two (2) level
18 downward reduction for acceptance of responsibility if, prior to the imposition of
19 sentence, the Defendant is charged or convicted of any criminal offense
20 whatsoever or if the Defendant tests positive for any controlled substance.

21 (d.) Criminal History:

22 The United States and the Defendant understand that the Defendant's
23 criminal history computation is tentative and that ultimately the Defendant's
24 criminal history category will be determined by the Court after review of the
25 Presentence Investigative Report. The United States and the Defendant have made
26 no agreement and make no representations as to the criminal history category,
27 which shall be determined after the Presentence Investigative Report is completed.
28

1 10. Incarceration/Departures:

2 The Defendant may ask for any sentence he deems appropriate. The United
3 States will ask for a sentence with in the applicable guideline range.

4 11. Criminal Fine:

5 The United States and the Defendant are free to make whatever
6 recommendation concerning the imposition of a criminal fine that they believe is
7 appropriate.

8 12. Supervised Release:

9 The United States and the Defendant agree to recommend that the Court
10 impose a three (3)-year term of supervised release.

11 13. Restitution:

12 The Defendant hereby stipulates and agrees to an order of restitution in the
13 amount of \$8,500 This amount represents the unrecovered amount of restitution
14 outstanding.

15 14. Mandatory Special Penalty Assessment:

16 The Defendant agrees to pay the \$500 mandatory special penalty assessment
17 to the Clerk of Court for the Eastern District of Washington, at or before
18 sentencing, pursuant to 18 U.S.C. § 3013 and shall provide a receipt from the
19 Clerk to the United States before sentencing as proof of this payment.

20 15. Payments While Incarcerated:

21 If the Defendant lacks the financial resources to pay the monetary
22 obligations imposed by the Court, the Defendant agrees to earn the money to pay
23 toward these obligations by participating in the Bureau of Prisons' Inmate
24 Financial Responsibility Program.

1 16. Additional Violations of Law Can Void Plea Agreement:

2 The Defendant and the United States agree that the United States may at its
3 option and upon written notice to the Defendant, withdraw from this Plea
4 Agreement or modify its recommendation for sentence if, prior to the imposition
5 of sentence, the Defendant is charged or convicted of any criminal offense
6 whatsoever.

7 17. Appeal Rights:

8 In return for the concessions that the United States has made in this Plea
9 Agreement, the Defendant agrees to waive the right to appeal the sentence if the
10 Court imposes a prison term within or below guidelines, imposes a term of
11 supervised release of no longer than three (3) years, waives the imposition of a
12 fine, and imposes a \$500 penalty assessment. Should the Defendant successfully
13 move to withdraw from this Plea Agreement or should the Defendant's conviction
14 on Counts 11-15 of the Indictment be dismissed, set aside, vacated, or reversed,
15 this Plea Agreement shall become null and void; the United States may move to
16 reinstate all counts of Indictment No. 10-CR-06040-RMP-3; and the United States
17 may prosecute the Defendant on all available charges involving or arising from his
18 participation in wire fraud. Nothing in this Plea Agreement shall preclude the
19 United States from opposing any post-conviction motion for a reduction of
20 sentence or other attack of the conviction or sentence, including, but not limited
21 to, proceedings pursuant to 28 U.S.C. § 2255 (writ of habeas corpus).

22 18. Integration Clause:

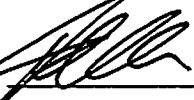
23 The United States and the Defendant acknowledge that this document
24 constitutes the entire Plea Agreement between the United States and the
25 Defendant, and no other promises, agreements, or conditions exist between the
26 United States and the Defendant concerning the resolution of the case. This Plea
27 Agreement is binding only upon the United States Attorney's Office for the
28 Eastern District of Washington, and cannot bind other federal, state or local

1 authorities. The United States and the Defendant agree that this agreement cannot
 2 be modified except in a writing that is signed by the United States and the
 3 Defendant.

4
 5
 6 Approvals and Signatures

7 Agreed and submitted on behalf of the United States Attorney's Office for
 8 the Eastern District of Washington.

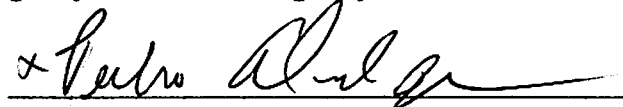
9 James A. McDevitt
 10 United States Attorney

11 

10/5/10
 Date

12 Matthew F. Duggan
 13 Assistant U.S. Attorney

14 I have read this Plea Agreement and have carefully reviewed and discussed
 15 every part of the agreement with my attorney. I understand and voluntarily enter
 16 into this Plea Agreement. Furthermore, I have consulted with my attorney about
 17 my rights, I understand those rights, and I am satisfied with the representation of
 18 my attorney in this case. No other promises or inducements have been made to
 19 me, other than those contained in this Plea Agreement and no one has threatened
 20 or forced me in any way to enter into this Plea Agreement. I am agreeing to plead
 21 guilty because I am guilty.

22 

23 PEDRO ALVARADO, JR.
 24 Defendant

10/5/10
 Date

25 I have read the Plea Agreement and have discussed the contents of the
 26 agreement with my client. The Plea Agreement accurately and completely sets
 27 forth the entirety of the agreement between the parties. I concur in my client's
 28

1 decision to plead guilty as set forth in the Plea Agreement. There is no legal
2 reason why the Court should not accept the Defendant's plea of guilty.

3 Troy J. Lee
4 Troy J. Lee
Attorney for the Defendant

10/5/10
Date